UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MINNESOTA

In re

ARC VENTURE HOLDING, INC., et al.,
Debtors.

Brian F. Leonard, Trustee,
Plaintiff,

vs.

City of Albuquerque, New Mexico,
Defendant.

BKY Case No.: 08-46367
Chapter 7
(Substantially Consolidated)

Adv. No.: 10-04521
ADVERSARY COMPLAINT

ANSWER TO ADVERSARY COMPLAINT

COMES NOW the City of Albuquerque, a New Mexico municipal corporation (hereafter City) and by and through its Assistant City Attorney Rebecca E. Wardlaw, and for its answer to the Trustee's Complain, shows the Court:

1. The City admits the allegations in Paragraphs 1, 2, 3, 4, 5, 6, 7, and 8.
2. The City is without sufficient information to admit or deny the allegations in Paragraph 10 and therefore denies those allegations.
3. The City denies the allegations in Paragraphs 9, 11, 12, 13, 14.
4. Affirmative Answer: Any and all payments made to the City of Albuquerque within the 90 days immediately prior to the commencement of the bankruptcy proceedings were made in the ordinary course of business, were not preferential transfers; and therefore, the Trustee is not entitled to turnover. In particular, the payments were made pursuant to Rental Car Counter Space and Ready/Return Parking Area Lease and Agreement (including letter extending term) and Rental Car Service Center Facility Lease and Agreement Sun Leasing Corporation, which defendant City contemplates filing as exhibits to motion for summary judgment.

WHEREFORE, having fully answered the Trustee's Adversary Complaint, the City requests the

Court deny the relief requested, dismiss the Complaint with prejudice and grant such further relief as the Court deems proper.

CITY OF ALBUQUERQUE
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s/ filed electronically
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Certificate of Service

I, Rebecca E. Wardlaw, declare under penalty of perjury, that on 28th day of December, 2010, I mailed and emailed copies of the foregoing Answer to Adversary Complaint by first class mail postage prepaid to each entity named below at the address stated below for each entity.

Attorney for the Trustee
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and to
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Executed on: December 28, 2010
Signed : *s/ filed electronically*
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